

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

IN RE AAC HOLDINGS, INC.
DERIVATIVE LITIGATION

NO. 3:19-cv-00717
JUDGE RICHARDSON

ORDER


The parties have filed a Joint Stipulation Voluntarily Dismissing Action Without Prejudice (Doc. No. 28), signed by counsel for all named parties and asking that the Court dismiss this action without prejudice and without provision of notice to shareholders. Because this is a shareholders' derivative action, the Court must approve the voluntary dismissal pursuant to Fed. R. Civ. P. 23.1(c).

In addition, the Court would normally require notice of the proposed voluntary dismissal to shareholders, also pursuant to Fed. R. Civ. P. 23.1(c). In this case, the Court finds that such notice is unnecessary to protect the interests of AAC Holdings, Inc. and its stockholders for the following reasons, as represented by the parties: (1) former stockholders' equity interests in AAC Holdings, Inc. were cancelled by the U.S. Bankruptcy Court for the District of Delaware and now cease to exist, and (2) neither Plaintiffs nor Plaintiffs' counsel have received or will receive any consideration from Defendants for the dismissal. The Court, in its discretion, finds that this is an appropriate case for dispensing with notice to stockholders under Rule 23.1 because their interests

will not be substantially affected by the dismissal. *See Rosen v. Price*, No. 95 CIV.5089 (CSH), 1998 WL 337896, at *1 (S.D. N.Y. June 23, 1998).

Accordingly, this action is **DISMISSED without prejudice**, pursuant to Fed. R. Civ. P. 23.1(c) and 41(a)(2), and the Clerk is directed to close the file.

IT IS SO ORDERED.


ELI RICHARDSON
UNITED STATES DISTRICT JUDGE